

Activities Related to Casino Gaming Oversight

Fiscal Year 2007

January 1, 2008

Amount of Money Received and Expended

The fiscal year (FY) 2007 appropriation for casino gaming oversight was \$4,299,400. Fiscal year ending 2007 had expenditures of \$3,604,004.11 for Michigan State Police (MSP) operational expenses and salary and wages for 32 FTE's.

Nature and Structure of MSP Gaming Section

The MSP Gaming Section's primary focus is on criminal enforcement for all three Detroit casinos. Gaming Section personnel also assist the Michigan Gaming Control Board (MGCB) with regulatory matters and large-scale projects as requested. Since many criminal investigations entail regulatory matters, section personnel routinely coordinate their efforts with the MGCB. Additionally, Gaming Section personnel continue to provide assistance in the form of Law Enforcement Information Network (LEIN) warrant and criminal history checks for MGCB investigators conducting applicant background investigations. The Michigan Public Safety Communications System (MPSCS) continues to be the primary mode of communication between section personnel, MGCB staff, and casino security.

Summary of Casino Enforcement Activities

Operating from the Cadillac Place building located at 3062 W. Grand Boulevard, Suite L-700, in the City of Detroit, Gaming Section personnel function from this central location and rotate their patrols between the three casinos.

During FY 2007, the Gaming Section conducted 758 criminal complaint investigations and affected 290 arrests. This included felony arrests for embezzlement, cheating at gaming, fraudulent activities, larceny, dealer/patron collusion, and conspiracy. The largest numbers of investigations were of fraudulent activities and counterfeit currency. Misdemeanor arrests included charges of underage gambling, minor in possession of alcohol, and trespass by disassociated persons. Additionally, numerous fugitive arrests were made satisfying 92 fugitive warrants.

Gaming Section personnel work with the FBI's Organized Crime Unit to ensure organized crime does not infiltrate Detroit casinos through suppliers and vendors. In addition, Gaming Section personnel work with casino staff to strengthen their check cashing procedures in an effort to reduce this type of criminal activity within the casinos.

Counterfeit money continues to surface at Detroit based casinos. MSP Gaming Section responded to 144 complaints of patrons in possession of counterfeit money, seizing \$6,455 in counterfeit currency. Additionally, the three casinos identified another \$13,561 in counterfeit currency within their cash cages. The total amount of counterfeit currency turned over to the U. S. Secret Service from the casinos during FY07 was \$20,016. Those individuals found to be in possession of the counterfeit money maintain they received the money from stores, banks, and other casinos during legitimate business transactions. To identify patterns and people, investigators continue to track occurrences via an in-house database.

Disassociated Persons

A program offered by the MGCB allows problem gamblers to "disassociate" themselves from the Detroit casinos and their affiliates. The Disassociated Persons List (DPL) currently consists of 1,746 individuals. Disassociated persons are excluded from frequenting the casinos for life. Violating the exclusion is a misdemeanor offense and subjects the disassociated person to forfeiture of all gambling proceeds in their possession, if any. The Michigan Gaming Control Board and the Michigan Attorney General recently reinterpreted the Michigan Gaming Control and Revenue Act and Promulgated Rules pertaining to this forfeiture of funds which significantly reduced the amount of funds seized. During the fiscal year, MSP Gaming Section conducted 86 investigations of disassociated persons. In FY07, gambling proceeds in the

amount of \$42,698.60 were seized, forfeited, and turned over to the Michigan Department of Community Health, Compulsive Gambling Prevention Fund, as compared to \$84,928.00 in FY06.

Investigative Highlights

- MSP Gaming Section personnel initiated an investigation of a possible roulette scam at Greektown Casino. The scam involved a patron buying non-value roulette chips, each of a certain color, for \$1. The patron then pockets numerous chips and leaves the gaming table to meet with a co-conspirator to pass off the chips. This associate then goes to the roulette table and buys more chips of the same color, but at a value of \$25 each. During the game, the co-conspirator introduces the pocketed chips to the table. For every pocketed chip he introduces, he profits \$24.

Through diligent surveillance, via camera and surveillance outside, four suspects were detected. The suspects were followed to a nearby hotel and, subsequently, a consent search was conducted on the room. The search produced casino chips from four Indiana casinos and two Michigan casinos. Four suspects from Bronx, New York have been arrested, charged, and arraigned on felony charges of Cheating at a Gambling Game, Conspiracy to Cheat at a Gambling Game, and False Pretenses.

Information regarding these suspects was disseminated to all casinos nationwide, assisting two out-of-state casinos in identifying individuals suspected of committing the same crime in their casino. (GTC-168-07)

- Motor City Casino security contacted Gaming Section officers and requested assistance with a large fight in their delicatessen involving several patrons. Gaming Section officers responded to the scene and discovered that one patron had been stabbed by an unknown assailant. The suspect's description was obtained from a review of the surveillance tape. Detectives conducted a search of the casino floor and were able to take the suspect into custody without incident. A blood stained folding knife was recovered from the suspect. In accordance with the Memorandum of Understanding, the suspect and knife were turned over to Detroit Police Department for local prosecution. (MCC-21-07)
- The Gaming Section received information regarding a check fraud and false pretense at Greektown Casino. The suspect has written \$850,000 in NSF checks to Greektown Casino and stopped payment on two additional checks in the amounts of \$500,000 and \$200,000.
- Thirty-one investigations of illegal gambling operations have been initiated by the Gaming Section, Special Operations Team, this fiscal year. Two search warrants have been executed resulting in the seizure of four electronic gaming devices and \$5,300 in illegal gambling proceeds. The remaining investigations are ongoing with several search warrants anticipated.
- The Special Operations Team initiated a money laundering investigation after determining that three individuals used small denomination bills to buy several thousands of dollars of gaming cheques. The buy-ins were made at separate Blackjack tables and the suspects left the tables once they received their cheques, not placing even a single bet on the game. Instead, they immediately went to different cashier cages and cashed their cheques in for large denomination bills, then left the casino. Surveillance was conducted inside the casino and continued as the suspects left Motor City Casino and drove to MGM Grand Casino. There, two of the suspects again used small denomination bills to purchase cheques with little or no table game play. Upon leaving MGM Grand, a traffic stop of the suspect vehicle was initiated, the suspects were questioned, and ultimately, \$12,000 was seized for forfeiture.

MSP and MGCB, in conjunction with the City of Detroit Fire Department, are responsible for emergency management training at the casinos. They are required to annually train licensed casino security and surveillance personnel in critical incident management. The training is designed to prepare casino surveillance and security personnel in the proper procedures to follow in the event of a fire, robbery attempt, bomb threat, WMD (weapons of mass destruction) incident, medical emergency, or other major emergency. Each of the three casinos participated in a block of instruction on the National Incident Management System presented by the Department of Homeland Security, fulfilling their training requirement.

Positions and Classifications of Employees Currently Assigned--(32 FTE's)

1	Inspector, State Administrative Manager 16
1	Detective First Lieutenant, State Police Detective First Lieutenant 15
2	Detective Lieutenant, State Police Detective Lieutenant 14
5	Detective Sergeant, State Police Detective Sergeant 12
21	Detective Specialist, State Police Detective Specialist/Trooper 11
<u>2</u>	Management Assistant, Secretary 9
32	

Number of Full Time and Part Time Employees and Aggregate Number of FTE's

The current staffing cap is for 32 full time employees. There are no position vacancies at this time. During the reporting period, three detective specialist vacancies and two detective sergeant vacancies were filled. One detective specialist continues serving his country on an 18-month deployment to Iraq as a member of the National Guard.

Number of Enlisted and Civilian Positions

Of the 32 positions currently assigned, 30 are enlisted and 2 are civilian.

Duties and Responsibilities of Assigned Employees

Inspector - State Administrative Manager 16 (Commander) – This officer serves as assistant to the division commander and as Gaming commander for the Southeast Criminal Investigation Division (SECID). The role of this position is to provide leadership, direction, administration, and supervision to SECID personnel and all of its investigative initiatives operating in the City of Detroit.

This position provides primary command responsibilities for the Gaming Section and shares responsibilities with the Attorney General and the MGCB for the licensing, regulation, and enforcement of legalized gaming in the State of Michigan. This officer also maintains liaison with federal, state, and local authorities to maintain cooperative team efforts and establish professional gaming standards, as well as to help enhance the quality of life in the Metro Detroit area. This officer supervises, administers, and provides leadership for State Police resources and personnel committed to the licensing, regulation, and enforcement of gaming and criminal enforcement initiatives in Detroit.

D/F/Lt. 15 – State Police Detective First Lieutenant 15 (Section Commander) – This position is responsible to command the Gaming Section, which is charged to assist the MGCB in regulating and enforcing Michigan law at three Detroit-based casinos. This officer is also responsible to the Gaming commander for the coordination and provision of State Police services and resources necessary for the licensing, regulation, and enforcement of legalized gaming in the State of Michigan. These duties are performed at the direction of the Gaming commander when he/she is available, and may assume the position of command when the Gaming commander is not available. The officer may be contacted for duty any hour of the day. This officer is also responsible to supervise detective lieutenants, detective sergeants, detective specialists, and secretaries assigned to the section.

D/Lt. 14 - State Police Detective Lieutenant 14 (Casino Operations Team Leader) – This officer is responsible for the coordination and provision of State Police activities, services, and resources necessary for the regulation and enforcement of legalized gaming in the State of Michigan. This position also serves as a casino team leader at a licensed casino operation, providing assistance, as necessary, to the MGCB to ensure effective regulatory and enforcement measures are in place. These duties are performed at the direction of the section commander when he/she is available, and may assume the position of command when the section commander is not available. The employee may be contacted for duty at any hour of the day.

D/Lt. 14 - State Police Detective Lieutenant 14 (Special Operations Team Leader) – This officer is responsible for the administration and supervision of the Gaming Section's Special Operations Team in its conduct of complex conspiratorial crimes within the three Detroit casinos and illegal gambling operations outside the casinos. This position also provides and coordinates investigative support services, information, intelligence data, and training expertise in areas including, but not limited to, illegal gambling, money laundering, embezzlement, dealer/patron collusion, and identity theft. These duties are performed at the direction of the section commander and may assume the position of command when the section commander is not available. The employee may be contacted for duty at any hour of the day.

D/Sgt. 12 – State Police Detective Sergeant 12 (Casino Operations Supervisor) – This officer provides supervision to Casino Operations detective specialists assigned to the section. Upon MGCB requests to help ensure proper compliance with the Michigan Gaming Control Board and Revenue Act, the Administrative Rules, and Casino Internal Controls, this officer assigns regulatory inspections and other related projects and tasks to detective specialists. This individual also supervises investigations into criminal activity at the casinos and assists detective specialists in completing their assignments, duties, and investigations. These duties are performed at the direction of the section commander, and the employee may be contacted for duty at any hour of the day.

D/Sgt. 12 – State Police Detective Sergeant 12 (Special Operations Supervisor) – This officer provides supervision to Special Operations detective specialists assigned to the section. This position assists the team leader in conducting, assigning, and monitoring investigations, reviewing reports, and controlling and accounting of sub-unit account funds. In the absence of the detective lieutenant 14, it serves as acting team leader. These duties are performed at the direction of the section commander, and the employee may be contacted for duty at any hour of the day.

D/Sgt. 12 – State Police Detective Sergeant 12 (Administrative Sergeant) – This officer assists the section commander in developing schedules, maintaining the section property room, monitoring fleet vehicle usage and maintenance, maintaining forfeiture files and equipment, including radio inventory and maintenance, coordinating mandatory and voluntary training programs, and conducting, assigning and monitoring investigations, and performing other administrative tasks as directed. These duties are performed at the direction of the section commander, and the employee may be contacted for duty at any hour of the day.

D/Spl. 11 – State Police Detective Specialist Trooper 11 (Casino Operations Patrol/Investigator) – The primary role of this position is to patrol for criminal violators, respond to criminal activity, initiate investigations into casino-related crimes, and provide for public safety. This officer also conducts regulatory inspections and other related tasks, as directed by superiors, when requests are received from the MGCB. These duties are performed at the direction of Casino Operations supervisors, and the employee may be contacted for duty at any hour of the day.

D/Spl. 11 – State Police Detective Specialist Trooper 11 (Special Operations Investigator) – This officer functions as part of a team assigned to conduct investigations of complex conspiratorial and financial crimes including embezzlement, dealer/patron collusion, identity theft, and money laundering which occur inside the casinos, as well as illegal gambling operations outside the casinos. These duties are performed at the direction of the Special Operations supervisor, and the employee may be contacted for duty at any hour of the day.

Management Assistant - Secretary 9 – This person serves as a management assistant to either the Gaming commander or Gaming Section commander. This person coordinates office activities and performs secretarial assignments for management staff in support of ongoing operations that surround SECID enforcement activities in the City of Detroit, which include the licensing, regulation, and enforcement of legalized gaming. This person also tracks budgetary expenses and processes financial transactions.

Immediate Past Position of the Enlisted Employees Assigned

<u>Employee</u>	<u>Current Position</u>	<u>Immediate Past Position</u>
Insp.	Assistant Division/Gaming Commander	D/F/Lt. – ISB, SECID, North Region Investigative Support Section
D/F/Lt.	Section Commander	D/Sgt. – ISB, Field Detective Division Metro South Post
D/Lt.	Special Operations Team Leader	D/Lt. – FSB, ERSID Gaming Section Casino Team Leader
D/Lt.	Casino Team Leader	D/Sgt. – FSB, ERSID Gaming Section Enforcement Supervisor
D/Sgt.	Administrative Sergeant	D/Sgt. – FSB, 2 nd District Metro North Post
D/Sgt.	Special Operations Supervisor	D/Sgt. – ERSID Gaming Section Enforcement Supervisor
D/Sgt.	Casino Operations Supervisor	Sgt. – USB, 2 nd District Detroit Post
D/Sgt.	Casino Operations Supervisor	D/Sgt. – FSB, ERSID, ISS Detroit Metro Identity Fraud Task Force
D/Sgt.	Casino Operations Supervisor	Sgt. – USB, 2 nd District Metro North Post
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Richmond Post
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Detroit Post
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	D/Spl. – ISB, SECID, North Region ISS, Mint Team 2
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol FSB – 7 th District, Manistee Post
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Metro South Post
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Metro South Post
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	D/Tpr. – FSB, ERSID, Sector II MINT Surveillance
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol FSB – 1 st District, Brighton Post
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	D/Tpr. – FSB, Region II SID, Sector II COMET

D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	D/Tpr. – FSB, ERSID, Sector II MINT Surveillance
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Richmond Post
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	D/Spl. – ISB, SECID, South Region DRANO
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol FSB – 2 nd District, Ypsilanti Post
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol FSB – 2 nd District, Metro North Post
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	D/Tpr. – Road Patrol FSB – 2 nd District, Metro North Post
D/Spl.	Special Operations Investigator	D/Spl. – Enforcement Patrol/Investigator FSB, ERSID, Sector I, Gaming Section
D/Spl.	Special Operations Investigator	D/Spl. – Enforcement Patrol/Investigator FSB, ERSID, Sector I, Gaming Section
D/Spl.	Special Operations Investigator	D/Spl. – Enforcement Patrol/Investigator FSB, ERSID, Sector I, Gaming Section
D/Spl.	Special Operations Investigator	D/Spl. – Enforcement Patrol/Investigator FSB, ERSID, Sector I, Gaming Section
D/Spl.	Special Operations/Casino Operations Court Officer	D/Spl. – Enforcement Patrol/Investigator FSB, ERSID, Sector I, Gaming Section
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol FSB – 2 nd District, Metro North Post